

AMENDED IN SENATE AUGUST 24, 1998

AMENDED IN SENATE JUNE 19, 1997

AMENDED IN ASSEMBLY APRIL 1, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 92

Introduced by Assembly Member ~~Figueroa~~ Cardoza
(~~Coauthors: Assembly Members Alquist, Lempert,~~
~~Sweeney, and Vincent~~)
(~~Coauthors: Senators Lee and Solis~~)

January 6, 1997

~~An act to amend Sections 50199.8 and 50199.14 of the Health and Safety Code, relating to housing. An act to add Section 77212.5 to the Government Code, relating to courts.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 92, as amended, ~~Figueroa~~ Cardoza. ~~Low-income housing credit: California Tax Credit Allocation Committee Courts: security services.~~

(1) Existing law requires the sheriff in certain counties to provide security services to the trial courts.

This bill would require the trial courts in such a county, commencing July 1, 1999, and thereafter, to enter into an agreement with the sheriff's department that was providing court security services as of July 1, 1998, regarding the provision of court security services, thereby imposing a state-mandated local program.

(2) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~(1) Under existing law, the California Tax Credit Allocation Committee administers the state low-income housing tax credit program until authority for this program is repealed on January 1, 2000.~~

~~This bill would clarify that the California Tax Credit Allocation Committee is composed of the Governor, the Controller, and the Treasurer, and that if the Governor is absent, the Director of Finance represents the Governor.~~

~~(2) Under existing law, the Director of Housing and Community Development, the Executive Director of the California Housing Finance Agency and 2 representatives of local government, one a representative of the counties appointed by the Senate Committee on Rules, and one a representative of the cities appointed by the Speaker of the Assembly, serve as ex officio, nonvoting members of the committee.~~

~~This bill would require that the representative of the counties be appointed from a pool of candidates nominated by the California Association of Counties, and a representative of the cities be appointed from a pool of candidates nominated by the League of California Cities. The bill would designate the local government members as voting members of the committee, except that local government representatives would be precluded from participation in decisions regarding specific applications that allocate housing credits located within the governmental jurisdiction by which they are employed.~~

~~(3) Under existing law, the California Tax Credit Allocation Committee is required to allocate the low-income housing credit on a regular basis consisting of 2 or more periods in each calendar year during which applications may be filed and considered. The committee is also required to establish application filing deadlines and the appropriate date on which allocations shall be made.~~

~~This bill would require the committee to provide a prescribed notice prior to filing deadlines for applications and would require the committee to adopt a procedure by which applicants may appeal staff determinations relating to eligibility for credit allocations based on specified criteria to the committee. This bill would also make technical, nonsubstantive changes concerning the committee.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 50199.8 of the Health and Safety~~
2 *SECTION 1. Section 77212.5 is added to the*
3 *Government Code, to read:*
4 *77212.5. Commencing on July 1, 1999, and thereafter,*
5 *the trial courts of each county in which court security*
6 *services are otherwise required by law to be provided by*
7 *the sheriff's department shall enter into an agreement*
8 *with the sheriff's department that was providing court*
9 *security services as of July 1, 1998, regarding the provision*
10 *of court security services.*
11 *SEC. 2. Notwithstanding Section 17610 of the*
12 *Government Code, if the Commission on State Mandates*
13 *determines that this act contains costs mandated by the*
14 *state, reimbursement to local agencies and school*
15 *districts for those costs shall be made pursuant to Part 7*
16 *(commencing with Section 17500) of Division 4 of Title*
17 *2 of the Government Code. If the statewide cost of the*
18 *claim for reimbursement does not exceed one million*
19 *dollars (\$1,000,000), reimbursement shall be made from*
20 *the State Mandates Claims Fund.*

1 *Notwithstanding Section 17580 of the Government*
2 *Code, unless otherwise specified, the provisions of this act*
3 *shall become operative on the same date that the act*
4 *takes effect pursuant to the California Constitution.*

5 ~~Code is amended to read:~~

6 ~~50199.8. (a) The committee is composed of the~~
7 ~~Governor, or in the Governor's absence, the Director of~~
8 ~~Finance, the Controller, the Treasurer, and two~~
9 ~~representatives of local government. The local~~
10 ~~government representatives shall consist of a~~
11 ~~representative of the counties, appointed by the Senate~~
12 ~~Committee on Rules from a pool of candidates nominated~~
13 ~~by the California State Association of Counties, and a~~
14 ~~representative of the cities, appointed by the Speaker of~~
15 ~~the Assembly from a pool of candidates nominated by the~~
16 ~~League of California Cities. The Director of Housing and~~
17 ~~Community Development and the Executive Director of~~
18 ~~the California Finance Agency shall serve as ex officio~~
19 ~~nonvoting members. The Treasurer shall be the~~
20 ~~chairperson of the committee. The members of the~~
21 ~~committee shall serve without compensation. A majority~~
22 ~~of voting members shall be empowered to act for the~~
23 ~~committee. The committee may employ an executive~~
24 ~~director to carry out its duties under this chapter. The~~
25 ~~committee may delegate to the executive director the~~
26 ~~authority to enter into contracts on behalf of the~~
27 ~~committee.~~

28 ~~(b) The local government representatives of the~~
29 ~~committee designated pursuant to subdivision (a) shall~~
30 ~~not participate in decisions regarding specific~~
31 ~~applications that allocate housing credits to projects that~~
32 ~~are located within the governmental jurisdictions by~~
33 ~~which they are employed.~~

34 ~~SEC. 2. Section 50199.14 of the Health and Safety~~
35 ~~Code is amended to read:~~

36 ~~50199.14. (a) The committee shall allocate the~~
37 ~~housing credit on a regular basis consisting of two or more~~
38 ~~periods in each calendar year during which applications~~
39 ~~may be filed and considered. The committee shall~~
40 ~~establish application filing deadlines, the maximum~~

1 ~~percentage of federal and state low-income housing tax~~
2 ~~credit ceiling that may be allocated by the committee in~~
3 ~~each period, and the approximate date on which~~
4 ~~allocations shall be made. The committee shall provide at~~
5 ~~least 60 days' public notice prior to the application filing~~
6 ~~deadlines. If the enactment of federal or state law, or the~~
7 ~~adoption of rules or regulations, or other similar events~~
8 ~~prevent the use of the two allocation periods, the~~
9 ~~committee may reduce the number of periods and adjust~~
10 ~~the filing deadlines, maximum percentage of credit~~
11 ~~allocated, and the allocation dates.~~

12 ~~(b) The committee shall adopt a qualified allocation~~
13 ~~plan, as provided in paragraph (1) of subsection (m) of~~
14 ~~Section 42 of Title 26 of the United States Code. In~~
15 ~~adopting this plan, the committee shall comply with the~~
16 ~~provisions of subparagraphs (B) and (C) of paragraph~~
17 ~~(1) of subsection (m) of Section 42 of Title 26 of the~~
18 ~~United States Code. To the extent that the qualified~~
19 ~~allocation plan is amended, the committee shall provide~~
20 ~~at least 60 days' public notice prior to the application~~
21 ~~filing deadlines.~~

22 ~~(c) In order to promote the provision of affordable~~
23 ~~low-income housing within and throughout the state, the~~
24 ~~committee shall allocate housing credits in accordance~~
25 ~~with the qualified allocation plan and regulations, which~~
26 ~~shall include the following provisions:~~

27 ~~(1) All housing credit applicants shall demonstrate at~~
28 ~~the time the application is filed with the committee, that~~
29 ~~the project meets the following threshold requirements:~~

30 ~~(A) The housing credit applicant shall demonstrate~~
31 ~~there is a need and demand for low-income housing in the~~
32 ~~community or region for which it is proposed.~~

33 ~~(B) The project's proposed financing, including tax~~
34 ~~credit proceeds, shall be sufficient to complete the~~
35 ~~project and that the proposed operating income shall be~~
36 ~~adequate to operate the project for the extended use~~
37 ~~period.~~

38 ~~(C) The project shall have enforceable financing~~
39 ~~commitments, either construction or permanent~~

1 ~~financing, for at least 50 percent of the total estimated~~
2 ~~financing of the project.~~

3 ~~(D) The housing credit applicant shall have and~~
4 ~~maintain control of the site for the project.~~

5 ~~(E) The housing sponsor shall demonstrate that the~~
6 ~~project complies with all applicable local land use and~~
7 ~~zoning ordinances.~~

8 ~~(F) The housing credit applicant shall demonstrate~~
9 ~~that the project development team has the experience~~
10 ~~and the financial capacity to ensure project completion~~
11 ~~and operation for the extended use period.~~

12 ~~(G) The housing credit applicant shall demonstrate~~
13 ~~the amount of tax credit that is necessary for the financial~~
14 ~~feasibility of the project and its viability as a qualified~~
15 ~~low-income housing project throughout the extended use~~
16 ~~period, taking into account operating expenses,~~
17 ~~supportable debt service, reserves, funds set aside for~~
18 ~~rental subsidies, and required equity, and a development~~
19 ~~fee that does not exceed a specified percentage of the~~
20 ~~eligible basis of the project prior to inclusion of the~~
21 ~~development fee in the basis, as determined by the~~
22 ~~committee.~~

23 ~~(2) The committee shall give a preference to those~~
24 ~~projects satisfying all of the threshold requirements of~~
25 ~~paragraph (1) if:~~

26 ~~(A) The project serves the lowest income tenants at~~
27 ~~rents affordable to those tenants; and~~

28 ~~(B) The project is obligated to serve qualified tenants~~
29 ~~for the longest period.~~

30 ~~(3) In addition to the provisions of paragraphs (1) and~~
31 ~~(2) of subdivision (c), the committee shall use the~~
32 ~~following criteria in allocating housing credits:~~

33 ~~(A) Projects serving large families in which a~~
34 ~~substantial number, as defined by the committee, of all~~
35 ~~residential units are comprised of low-income units with~~
36 ~~three and more bedrooms.~~

37 ~~(B) Projects providing single room occupancy units~~
38 ~~serving very low income tenants.~~

1 ~~(C) Existing projects that are “at risk of conversion,”~~
2 ~~as defined by paragraph (4) of subdivision (c) of Section~~
3 ~~17058 of the Revenue and Taxation Code.~~

4 ~~(D) Projects for which a public agency provides direct~~
5 ~~or indirect long-term financial support for at least 15~~
6 ~~percent of the total project development costs or projects~~
7 ~~for which the owner’s equity constitutes at least 30~~
8 ~~percent of the total project development costs.~~

9 ~~(E) Projects that provide tenant amenities not~~
10 ~~generally available to residents of low-income housing~~
11 ~~projects.~~

12 ~~(d) For purposes of allocating credits pursuant to this~~
13 ~~section, the committee shall not give preference to any~~
14 ~~project by virtue of the date of submission of its~~
15 ~~application, except to break a tie when two or more of the~~
16 ~~projects have the same rating.~~

17 ~~(e) The committee shall allocate credits to a project~~
18 ~~under this section prior to allocating credit to that project~~
19 ~~under Sections 12206, 17058, and 23610.5 of the Revenue~~
20 ~~and Taxation Code.~~

21 ~~(f) The committee shall allocate credits to a project~~
22 ~~only if the housing sponsor enters into a regulatory~~
23 ~~agreement that provides for an “extended use period” as~~
24 ~~defined in subparagraph (D) of paragraph (6) of~~
25 ~~subsection (h) of Section 42 of the Internal Revenue~~
26 ~~Code, which shall terminate on the date specified in the~~
27 ~~regulatory agreement or the date the project is acquired~~
28 ~~in foreclosure, including any instrument in lieu of~~
29 ~~foreclosure, whichever occurs first, and subclause (II) of~~
30 ~~subparagraph (E) of clause (i) of paragraph (6) of~~
31 ~~subsection (h) of Section 42 shall not apply.~~

32 ~~(g) The committee shall adopt a procedure by which~~
33 ~~applicants may appeal to the committee determinations~~
34 ~~made by staff relating to eligibility for credit allocations~~
35 ~~based on criteria in accordance with the qualified~~
36 ~~allocation plan.~~

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